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UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURE ADJUSTMENT ADMINISTRATION

SUMMARY OF PROVISIONS

of the

SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT

Conservation and improvement of soil resources, reestablishment and maintenance of farm income, assurance of adequate supplies of food and fiber for consumers, and the protection of rivers and harbors against the effects of soil erosion are provided for in the Soil Conservation and Domestic Allotment Act, which was signed by the President on February 29, 1936.

Temporary Federal aid in the form of grants direct to individual farmers to assist voluntary action for these purposes is authorized until State plans are ready or until January 1, 1938, after which grants will be made only to States upon the submission of State programs and their approval by the Secretary of Agriculture in accordance with provisions of the act. The act authorizes an annual appropriation of not more than \$500,000,000.

OBJECTIVES

Objectives under the declared policy of the act include (1) preservation and improvement of soil fertility; (2) promotion of the economic use and conservation of land; (3) diminution of exploitation and wasteful and unscientific use of national soil resources; (4) protection of rivers and harbors against the results of soil erosion, for the purpose of aiding flood control and maintaining navigability; (5) reestablishment, at as rapid a rate as the Secretary of Agriculture determines to be practicable and in the general public interest, of the ratio between purchasing power of the net income per person on farms and that of the income per person not on farms which prevailed during the 5-year period August 1909 to July 1914, inclusive, and the maintenance of this ratio.

BASES OF PAYMENTS

Under the temporary plan of Federal aid, the Secretary of Agriculture is authorized to make payments to producers measured by (1) their treatment or use of land for soil restoration, conservation, or erosion prevention, (2) changes in the use of their land, (3) a percentage of their normal production of one or more designated commodities equal to the normal national percentage required for domestic consumption. Payments may be made on any one or any combination of these bases of measurement. Productivity of the

land affected is to be taken into consideration in making payments for changes in use and soil conservation.

Under the permanent State-aid plan the Secretary is required, on or before November 1 of each year, commencing in 1937, to apportion funds available for State plans for the next calendar year. In determining the amount to be apportioned to each State, the Secretary is required to take into consideration for each State the acreage and value of the major soil-depleting and major export crops produced during a representative period and the acreage and productivity of land devoted to agricultural production during a representative period. During the temporary Federal-aid period, apportionment of funds for carrying out State plans for each of the years 1936 and 1937 may be made at any time during those years.

PARTICIPATION OF PRODUCERS IN ADMINISTRATION

The act authorizes the Secretary, in carrying out the provisions of the act, during the temporary period of Federal aid, to utilize county and community committees of agricultural producers as well as the agricultural extension service and such other agencies as he finds will assist in accomplishing the purposes of the act, and provides for their participation also in the State-aid plan.

COOPERATION WITH STATES

State plans, in order to conform to specifications set forth in the act, must include (1) provisions for a State agency to administer the plan authorized by the State and either designated or approved by the Secretary, (2) provisions for such methods of administration and participation by county and community committees or associations of producers organized for the purpose as the Secretary finds necessary for effective administration of the plan, and (3) provisions for submitting such reports as the Secretary finds necessary to assure that the State plans are being carried out.

One-fourth of the money apportioned to each State is payable to the State following approval of the State plan. The remainder is to be paid in installments according to provisions of the State plan. Payment of installments would cease in the case of failure of a State to carry out the terms of its plan.

In the case of failure of a State to submit an acceptable plan, funds apportioned to that State would remain available for the general purposes of the act.

Prior to January 1, 1938, the Secretary is authorized to make use of cooperative assistance by the agricultural extension service, or other approved State agencies. After this period, the State administrative agency will be one authorized by the State, whether designated by the Secretary or approved by him after designation by the State.

INTEREST OF SHARE-CROPPERS, TENANTS, AND SMALL PRODUCERS PROTECTED

The Secretary is required, as far as practicable, to protect the interests of tenants and share-croppers and small producers. Tenants and share-croppers are specifically included as agricultural pro-

ducers under the authorization empowering the Secretary to make payments to carry out the purposes of the act.

PARITY OF INCOME FOR FARMERS

In the provisions relating to farm income objectives, the act recognizes the right of agriculture to keep pace with the rate of progress made by the Nation as a whole.

The 1909-14 balance between agricultural and nonagricultural living standards, as measured by the relative purchasing power of net income of persons on farms and income of persons not on farms, is the objective in reestablishing and maintaining farm income.

INTERESTS OF CONSUMERS PROTECTED

In carrying out the provisions of the act the Secretary is required to give due regard to the maintenance of a continuous and stable supply of agricultural commodities adequate to meet consumer demand at prices fair to both consumers and producers.

The act prohibits the use of the powers conferred by it for the purpose of discouraging the production of supplies of foods and fibers sufficient to maintain normal domestic human consumption. The Secretary is directed to determine normal domestic human consumption from the records of the years 1920 to 1929, inclusive, taking into consideration increased population, quantities of any commodity forced into domestic consumption by decline in exports, current trends in domestic consumption and exports of particular commodities, and the quantities of substitutes available for domestic consumption within any general class of food commodities.

The provision requiring the Secretary to take into consideration the quantity of any commodity forced into domestic consumption by decline in exports recognizes that the domestic market took during the years 1920 to 1929, at some price, whatever livestock products, such as pork, were offered, placing producers at a price disadvantage when large supplies were forced on the market.

The provision regarding substitutes recognizes that consumers may and do substitute one farm commodity for another in their diet, and that allowance should be made for such substitutions.

EXPANSION OF MARKETS AND REMOVAL OF SURPLUS

Use of funds for expansion of domestic and foreign markets or for seeking new or additional markets for agricultural commodities or for the removal or disposition of surpluses is authorized whenever the Secretary finds that it would tend to carry out the provisions of the act with respect to farm income or would tend to provide for and maintain a continuous and stable supply of agricultural commodities adequate to meet consumer demand at prices fair both to consumers and producers.

AGRICULTURAL ADJUSTMENT ADMINISTRATION RESPONSIBILITY

The Secretary of Agriculture is authorized and directed to provide for the execution by the Agricultural Adjustment Administration of such powers conferred under the act as he deems may be appropriately exercised by that Administration.

The act authorizes the Secretary to conduct surveys, investigations, and research, and make public the information he deems necessary to carry out its provisions.

In addition to the United States, the Territories of Alaska and Hawaii, and the possession, Puerto Rico, come under the application of the act.

AMENDMENTS TO THE AGRICULTURAL ADJUSTMENT ACT AND OTHER LAWS

Certain sections of the Agricultural Adjustment Act and other existing legislation are amended to clarify them and to make available certain funds appropriated under the Agricultural Adjustment Act, as amended.

Section 32 of Public, No. 320, 74th Congress, the act to amend the Agricultural Adjustment Act and for other purposes, approved August 24, 1935, which appropriates 30 percent of the duties on imports, is amended by striking out the reference to use of this money for financing adjustments in production of agricultural commodities and inserting in its place an authorization to use this money to make domestic allotment payments. This is in addition to the authority for use of the money to encourage the exportation and domestic consumption of agricultural commodities. Certain other changes are made in the terminology more clearly to define the circumstances under which the powers conferred by that section may be exercised.

The unexpended balance of the funds appropriated for the purchase of cattle and other agricultural products is made available by the Soil Conservation and Domestic Allotment Act.

The unexpended balance of funds appropriated under one of the acts amending the Agricultural Adjustment Act for the elimination of diseased cattle is made available and the authorization for use of these funds is extended from June 30, 1936, to June 30, 1937.

The Secretary of Agriculture is authorized to allot to States or individual farmers for wind erosion control, in the southern Great Plains area, the sum of \$2,000,000 of the unobligated balance of the appropriation for relief purposes contained in the Emergency Relief Appropriation Act of 1935.

Section 22 of the amended Agricultural Adjustment Act which empowers the President to limit imports interfering with agricultural programs in the United States, is amended so as to apply also to imports interfering with programs under the Soil Conservation and Domestic Allotment Act.